

SOUTH CAROLINA PUBLIC SERVICE COMMISSION

HEARING OFFICER REQUEST

DOCKET NO. 2019-290-WS

ORDER NO. 2020-39-H

May 15, 2020

Hearing Officer: David Butler

DOCKET DESCRIPTION:

Application of Blue Granite Water Company for Approval to Adjust Rate Schedules and Increase Rates

MATTER UNDER CONSIDERATION:

Request for Information Pertinent to the Contract Between Blue Granite Water Company and ClearWater Solutions, LLC Discussed in the Merits Hearing in this Docket

HEARING OFFICER ACTION:

Pursuant to Order No. 2020-371 in this Docket, the Commission Staff, through this Hearing Officer, requests the following information from the Office of Regulatory Staff, prior to the Commission consideration of approval of the above-described contract:

- 1. What, if any procurement procedures did Blue Granite Water Company ("Blue Granite") follow prior to signing the contract with ClearWater Solutions, LLC?**
- 2. Were bids taken? If so, why was ClearWater Solutions, LLC chosen?**
- 3. If bids were taken, what other companies bid? Why was it decided that ClearWater Solutions, LLC was the best company to choose with regard to a) the ratepayers? b) the shareholders?**
- 4. Exactly what costs are no longer being incurred by Blue Granite because of the contract with ClearWater Solutions, LLC?**
- 5. Are the overall costs incurred by Blue Granite higher, lower, or approximately the same as the costs that Blue Granite incurred prior to signing the contract with ClearWater Solutions, LLC? Please explain. Could Blue Granite provide services in a less expensive manner if it provided the services itself, rather than having ClearWater Solutions, LLC provide the services?**
- 6. What service areas in Blue Granite's service territories are being served by ClearWater Solutions, LLC rather than Blue Granite itself? Did ORS review how these cost changes break down by service area? If so, were there any areas of concern?**
- 7. What was the decision process that led to Blue Granite deciding to use a third-party company to service certain areas of their service territories? Are there board meeting minutes that explain the decision-making process? Is there an analysis of the state of the Company's facilities in areas subsequently served by ClearWater Solutions, LLC?**
- 8. Is the price that ClearWater Solutions, LLC charges Blue Granite for its services equal to the fair market value in your opinion? What analysis was performed to confirm this?**

9. Does ORS have an opinion on the sufficiency of ClearWater Solutions, LLC's invoices reviewed in the course of the rate case in Docket 2019-290-WS or thereafter?

The Hearing Officer requests a response to these questions by the close of business on Friday, May 22, 2020.